



# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

**GAIL FARBER, Director**

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

June 09, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**AMENDMENT TO DRILLSITE AGREEMENT NOS. 05-23 AND 06-11  
BETWEEN THE LOS ANGELES COUNTY  
FLOOD CONTROL DISTRICT AND OXY LONG BEACH, INC.  
IN THE CITY OF LONG BEACH  
(SUPERVISORIAL DISTRICT 4)  
(3 VOTES)**

**SUBJECT**

This action is to approve amendments to Drillsite Agreement Nos. 05-23 and 06-11 between the Los Angeles County Flood Control District and Oxy Long Beach, Inc., along the Los Angeles River in the City of Long Beach.

**IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:**

1. Find this transaction is categorically exempt from the provisions of the California Environmental Quality Act.
2. Approve amendments to Drillsite Agreement Nos. 05-23 and 06-11 between the Los Angeles County Flood Control District and Oxy Long Beach, Inc.
3. Instruct the Chair of the Board of Supervisors to sign the amendments to Drillsite Agreement Nos. 05-23 and 06-11 and authorize delivery to Oxy Long Beach, Inc.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to obtain approval from the County of Los Angeles Board of Supervisors, acting as the governing body of the Los Angeles County Flood Control District, to amend Drillsite Agreement No. 05-23 and 06-11 between the Los Angeles County Flood Control District (LACFCD) and Oxy Long Beach, Inc. (OLBI), along the Los Angeles River in the City of Long Beach.

OLBI, Lessee, under Drillsite Agreement Nos. 05-23 and 06-11 (Agreements), requested the amendments for a lease extension (Amendments). OLBI intends to invest a significant amount of capital into the existing facility for redevelopment and needs to secure a 40-year term to justify their investment.

## **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1). The revenue from the Agreements will be used for flood control purposes, and the use of the property will enhance future revenues through assessment and taxation.

## **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

The LACFCD currently generates an average of \$500,000 per year in royalties from the Agreements. By extending the term of the Agreements, revenues are anticipated to increase and be incorporated into the LACFCD budget during the normal budget process.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The purpose of the Agreements is to allow for directional drilling to produce, extract, and remove oil, gas, and other hydrocarbons from the LACFCD right of way. The term of the Agreements will end on October 3, 2014. The proposed Amendments will extend the term of the Agreements for an additional 40 years, with an option to extend the term for an additional 10 years at the end of the initial 40 years.

The proposed Amendments are authorized by Section 2, Paragraph 13, of the Los Angeles County Flood Control Act. This Section provides as follows: "Said Los Angeles County Flood Control District hereby declared to be a body corporate and politic, and as such shall have the power...13. To lease, sell or dispose of any property (or any interest therein) whenever in the judgment of said board of supervisors said property, or any interest therein or any part thereof, is no longer required for the purposes of said district...."

County Counsel has reviewed and approved the Amendments as to form.

## **ENVIRONMENTAL DOCUMENTATION**

The proposed Amendments are categorically exempt from the provisions of the California Environmental Quality Act (CEQA). This transaction is within the class of projects which have been determined not to have a significant effect on the environment, meeting the criteria specified in

Section 15304 of the State CEQA Guidelines and Class 4(j) of the County Environmental Document Reporting Procedures and Guidelines, Appendix G, adopted by your Board on November 17, 1987.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

This action allows for the joint use of the LACFCD right of way without interfering with the primary mission of the LACFCD.

**CONCLUSION**

Please return one adopted copy of this letter and two original Amendments to the Department of Public Works, Survey/Mapping & Property Management Division. Retain one original for your files.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER  
Director

GF:SGS:hp

Enclosures

c: Auditor-Controller (Accounting Division - Asset  
Management)  
Chief Executive Office  
County Counsel  
Executive Office

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO

Los Angeles County  
Department of Public Works  
SMPM Division  
900 South Fremont Avenue, Tenth Floor  
Alhambra, CA 91803

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT  
TO SECTION 27383 OF THE GOVERNMENT CODE

Agreement No. 06-11  
Los Angeles River – Parcel No 2018  
Affects Parcel Nos 2019, 2086-2094, 2099-  
2103, 2105-2184  
19RW 62.1, 63.1, 64.1, 65.1 and 66.1  
Fourth District

Amendment to Drillsite Agreement

This Amendment to the Drillsite Agreement No.06-11("Amendment"), is made and entered into this 9 day of June, 2010 ("Effective Date"), by and between the Los Angeles County Flood Control District ("District") and Oxy Long Beach, Inc. ("OLBI").

RECITALS

WHEREAS, District and Pacific Energy Resources Ltd. ("PER") entered into Drillsite Agreement No. 06-11 on the 24<sup>th</sup> of January, 2006 ("Agreement") which provided, among other things, for the occupancy and use of the surface and subsurface of the Northern Well Site and Southern Well Site ("said lands") for the purpose of conducting any and all operations necessary or convenient to directional drilling for, removal, production, storage, treatment, transportation and/or marketing of oil, gas and other hydrocarbon substances from other lands by means of wells located upon and/or drilled through said lands but bottomed outside the boundaries of said lands;

WHEREAS, OLBI is the assignee of all of the right, title, interest and estate of PER in, to and under the Agreement;

WHEREAS, the Agreement terminates on October 3, 2014.

WHEREAS, District and OLBI desire to enter into this Amendment to set forth the revised obligations of the parties hereto with regards to the term of the Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledge, District and OLBI hereby agree as follows:

1. Section 2 Term, paragraph (a), shall be replaced in its entirety with the following:

(a) The term of this Amendment shall continue and be for and during the period of forty (40) years from and after the Effective Date hereof, and upon agreement of the parties, and prior to the expiration of the 40 year term, the term may be extended for an additional ten (10) year term upon written approval by District's Chief Engineer.

2. Section 3 Use, paragraph (f), shall be replaced in its entirety with the following:

(f) OLBI, in drilling through said lands for oil, gas and other hydrocarbons, shall so drill the said wells that no portion of any perforated casing shall be within the boundaries of the Los Angeles County Flood Control District right of way, but shall cause said wells to be drilled so that no portion of any perforated casing shall be within two (200) hundred feet of the nearest lateral boundary, boundaries, of the said Los Angeles County Flood Control right of way.

3. Section 11 Insurance , paragraph (b), shall be modified by adding subparagraph (x), as follows:

(x) If OLBI proposes to self- insure for the risks set forth in this Section11, or any portion thereof, it shall provide written notice of its proposal to the District. District may, in its sole discretion, approve or reject OLBI's proposal. In the event District approves OLBI's proposal, OLBI may include such risk under its self-insurance program.

4. Except for the above referenced provisions, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to Drillsite Agreement to be executed in three (3) counterparts, Los Angeles County Flood Control District, as District, by its proper officers thereunder duly authorized, and Oxy Long Beach, Inc. by its officers, as of the day and year first written above.

LOS ANGELES COUNTY FLOOD  
CONTROL DISTRICT

OXY LONG BEACH, INC.

By: *Gloria Molina* By: \_\_\_\_\_  
CHAIR, BOARD OF SUPERVISORS

*[Signature]*  
Name \_\_\_\_\_

Title \_\_\_\_\_

APPROVED AS TO FORM

By: *[Signature]*

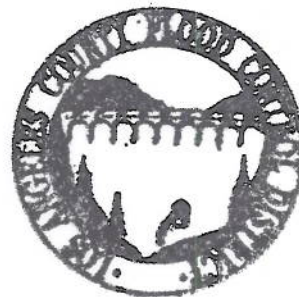
Name \_\_\_\_\_

Title \_\_\_\_\_

By: *[Signature]*

ATTEST: SACHI A. HAMAI  
EXECUTIVE OFFICER  
CLERK OF THE BOARD OF SUPERVISORS

BY, *[Signature]*, DEPUTY



I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Supervisors

By: *[Signature]*  
Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

47- - JUN 9 2010

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On 3/30/10  
Date

before me,

Colleen Marie Pouget, Notary  
Here Insert Name and Title of the Officer

personally appeared

Charles Phillip Plant and Frank Edward Komin  
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Colleen Marie Pouget  
Signature of Notary Public

Place Notary Seal Above

## OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

### Description of Attached Document

Title or Type of Document: Amendment to Drillsite Agreement 06-11

Document Date: 3/4/10

Number of Pages: 4

Signer(s) Other Than Named Above:

Sachi A. Hamai, LA Board of Supervisors

### Capacity(ies) Claimed by Signer(s)

Signer's Name: Charles Phillip Plant

☐ Individual

☒ Corporate Officer — Title(s): VP Production

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

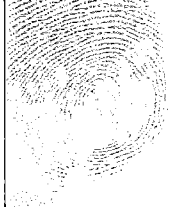
☐ Other: \_\_\_\_\_

Signer Is Representing:

OXY Long Beach Inc.

RIGHT THUMBPRINT  
OF SIGNER

Top of thumb here



Signer's Name: Frank Edward Komin

☐ Individual

☒ Corporate Officer — Title(s): President

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

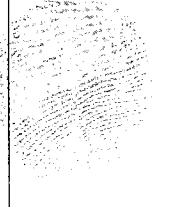
☐ Other: \_\_\_\_\_

Signer Is Representing:

OXY Long Beach Inc.

RIGHT THUMBPRINT  
OF SIGNER

Top of thumb here





STATE OF CALIFORNIA                    )  
  ) ss.  
COUNTY OF LOS ANGELES            )

On January 6, 1987, the Board of Supervisors for the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts adopted a resolution pursuant to Section 25103 of the Government Code that authorized the use of facsimile signatures of the Chair of the Board on all papers, documents, or instruments requiring the Chair's signature.

The undersigned hereby certifies that on this 9 day of June, 2010, the facsimile signature of GLORIA MOLINA, Chair of the Board of Supervisors of the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, was affixed hereto as the official execution of this document. The undersigned further certifies that on this date a copy of the document was delivered to the Chair of the Board of Supervisors of the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT.

In witness whereof, I have also hereunto set my hand and affixed my official seal the day and year above written.



(LACFCD-SEAL)

SACHI A. HAMAI, Executive Officer  
of the Board of Supervisors  
of the County of Los Angeles

By [Signature]  
Deputy

APPROVED AS TO FORM

ANDREA SHERIDAN ORDIN  
County Counsel

By [Signature]  
Deputy



RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO

Los Angeles County  
Department of Public Works  
SMPM Division  
900 South Fremont Avenue, Tenth Floor  
Alhambra, CA 91803

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT  
TO SECTION 27383 OF THE GOVERNMENT CODE

Agreement No. 05-23  
Los Angeles River- Parcel No 1219  
Affects Parcel Nos 1236, 2091, 2166, 2173,  
2178 to 2184  
19-RW 62.1, 63.1  
Fourth District

Amendment to Drillsite Agreement

This Amendment to the Drillsite Agreement No. 05-23 ("Amendment"), is made and entered into this 9 day of June, 2010 ("Effective Date"), by and between the Los Angeles County Flood Control District ("District") and Oxy Long Beach, Inc. ("OLBI").

RECITALS

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WHEREAS, OLBI is the assignee of all of the right, title, interest and estate of PER in, to and under the Agreement;

WHEREAS, the Agreement terminates on October 3, 2014.

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LOS ANGELES COUNTY FLOOD  
CONTROL DISTRICT

OXY LONG BEACH, INC.

By: *Gloria Molina* By: \_\_\_\_\_  
CHAIR, BOARD OF SUPERVISORS

Name \_\_\_\_\_

Title \_\_\_\_\_

APPROVED AS TO FORM

By: *C. P. Phat*

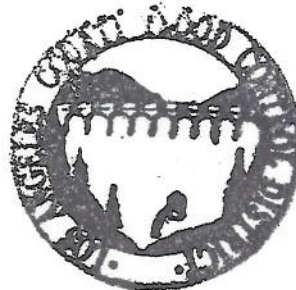
Name \_\_\_\_\_

Title \_\_\_\_\_

By *[Signature]*

ATTEST: SACHI A. HAMAI  
EXECUTIVE OFFICER  
CLERK OF THE BOARD OF SUPERVISORS

BY, *[Signature]*, DEPUTY



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delivery of this document has been made.

SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Supervisors

By *[Signature]*  
Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

**47** JUN 9 2010

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

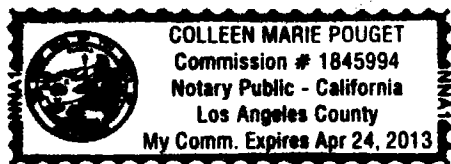
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Date

before me,

Colleen Marie Pouget, Notary  
Here Insert Name and Title of the Officer

personally appeared

Charles Phillip Plant and Frank Edward Konin  
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Colleen Marie Pouget  
Signature of Notary Public

Place Notary Seal Above

## OPTIONAL

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### Description of Attached Document

Title or Type of Document:

Amendment to Drill site Agreement 05-23

Document Date:

3/4/10

Number of Pages:

4

Signer(s) Other Than Named Above:

Sachi A. Hamai, L.A. Board of Supervisors

### Capacity(ies) Claimed by Signer(s)

Signer's Name:

Charles Phillip Plant

☐ Individual

☒ Corporate Officer — Title(s):

Vice Pres Production

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other:

Signer Is Representing:

Oxy Long Beach Inc

Signer's Name:

Frank Edward Konin

☐ Individual

☒ Corporate Officer — Title(s):

President

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other:

Signer Is Representing:

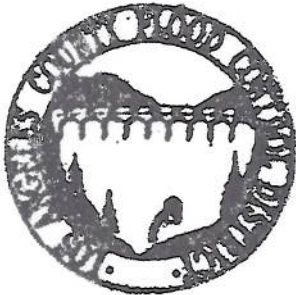
Oxy Long Beach Inc

STATE OF CALIFORNIA            )  
  ) ss.  
COUNTY OF LOS ANGELES        )

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The undersigned hereby certifies that on this 9 day of June, 2010, the facsimile signature of GLORIA MOLINA, Chair of the Board of Supervisors of the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, was affixed hereto as the official execution of this document. The undersigned further certifies that on this date a copy of the document was delivered to the Chair of the Board of Supervisors of the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT.

In witness whereof, I have also hereunto set my hand and affixed my official seal the day and year above written.



(LACFCD-SEAL)

APPROVED AS TO FORM

ANDREA SHERIDAN ORDIN  
County Counsel

SACHI A. HAMAI, Executive Officer  
of the Board of Supervisors  
of the County of Los Angeles

By 

Deputy

By 

Deputy